

House File 2689 - Enrolled

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HOUSE FILE 2689

AN ACT

RELATING TO RENEWABLE FUEL, INCLUDING BY PROVIDING FOR INFRA-
STRUCTURE ASSOCIATED WITH STORING, BLENDING, AND DISPENSING
RENEWABLE FUEL, PROVIDING FOR TAX CREDITS, PROVIDING FOR
THE PURCHASE OF RENEWABLE FUELS BY GOVERNMENTAL ENTITIES,
PROVIDING FOR RENEWABLE FUEL MARKETING EFFORTS, AND PROVID-
ING FOR EFFECTIVE DATES AND APPLICABILITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

RENEWABLE FUEL INFRASTRUCTURE

Section 1. Section 15G.201, subsection 1, Code 2007, is
amended to read as follows:

1. "Biodiesel", "biodiesel blended fuel", "biodiesel
fuel", "E=85 gasoline", "ethanol", "ethanol blended gasoline",
"gasoline", "motor fuel", "~~motor fuel pump~~", "retail dealer",
and "retail motor fuel site" mean the same as defined in
section 214A.1.

Sec. 2. Section 15G.201, Code 2007, is amended by adding
the following new subsections:

NEW SUBSECTION. 4A. "Motor fuel pump" and "motor fuel
blender pump" or "blender pump" mean the same as defined in
section 214.1.

NEW SUBSECTION. 5A. "Tank vehicle" means the same as
defined in section 321.1.

Sec. 3. NEW SECTION. 15G.201A CLASSIFICATION OF
RENEWABLE FUEL.

For purposes of this division, ethanol blended fuel and
biodiesel fuel shall be classified in the same manner as
provided in section 214A.2.

Sec. 4. Section 15G.203, unnumbered paragraph 1, Code
Supplement 2007, is amended to read as follows:

A renewable fuel infrastructure program for retail motor
fuel sites is established in the department under the
direction of the renewable fuel infrastructure board created
pursuant to section 15G.202.

Sec. 5. Section 15G.203, subsection 1, Code Supplement
2007, is amended to read as follows:

1. The purpose of the program is to improve retail motor
fuel sites by installing, replacing, or converting ~~motor fuel
storage and dispensing infrastructure. The infrastructure
must be to be used to store, blend, or dispense renewable
fuel. The infrastructure shall be ethanol infrastructure or
biodiesel infrastructure.~~

a. (1) Ethanol infrastructure shall be designed and shall
be used exclusively to store do any of the following:

(a) Store and dispense renewable fuel which is E=85
gasoline;

(b) Store, blend, and dispense motor fuel from a motor
fuel blender pump, as required in this subparagraph

subdivision. The ethanol infrastructure must provide for the
storage of ethanol or ethanol blended gasoline, or for

blending ethanol with gasoline. The ethanol infrastructure

must at least include a motor fuel blender pump which

dispenses different classifications of ethanol blended

gasoline and allows E=85 gasoline to be dispensed at all times

that the blender pump is operating.

(2) Biodiesel infrastructure shall be designed and used
exclusively to do any of the following:

(a) Store and dispense biodiesel, or biodiesel blended
fuel on the,

(b) Blend or dispense biodiesel fuel from a motor fuel
blender pump.

b. The infrastructure must be part of the premises of a
retail motor fuel sites site operated by a retail dealers

dealer. The infrastructure shall not include a tank vehicle.

Sec. 6. Section 15G.203, subsection 3, Code Supplement
2007, is amended by striking the subsection.

Sec. 7. Section 15G.203, subsection 4, paragraph b,
subparagraphs (3) and (4), Code Supplement 2007, are amended

3 4 to read as follows:

3 5 (3) A statement describing how the retail motor fuel site
3 6 is to be improved, the total estimated cost of the planned
3 7 improvement, and the date when the infrastructure will be
3 8 first used to ~~store and dispense the renewable fuel.~~

3 9 (4) A statement certifying that the infrastructure shall
3 10 ~~not only be used to store or dispense motor fuel other than~~
3 11 ~~E-85 gasoline, biodiesel, or biodiesel blended fuel comply~~
3 12 ~~with the provisions of this section and as specified in the~~
3 13 ~~cost-share agreement,~~ unless granted a waiver by the
3 14 infrastructure board pursuant to this section.

3 15 Sec. 8. Section 15G.203, subsection 6, Code Supplement
3 16 2007, is amended by striking the subsection.

3 17 Sec. 9. Section 15G.203, subsection 7, Code Supplement
3 18 2007, is amended to read as follows:

3 19 7. An award of financial incentives to a participating
3 20 person shall be on a cost-share basis in the form of a grant.
3 21 To

3 22 ~~In order to~~ participate in the program, an eligible person
3 23 must execute a cost-share agreement with the department as
3 24 approved by the infrastructure board in which the person
3 25 contributes a percentage of the total costs related to
3 26 improving the retail motor fuel site. A cost-share agreement
3 27 shall be for a three-year period or a five-year period. A
3 28 cost-share agreement shall include provisions for standard
3 29 financial incentives or standard financial incentives and
3 30 supplemental financial incentives as provided in this
3 31 subsection. The infrastructure board may approve multiple
3 32 improvements to the same retail motor fuel site for the full
3 33 amount available for both ethanol infrastructure and biodiesel
3 34 infrastructure so long as the improvements for ethanol
3 35 infrastructure and for biodiesel infrastructure are made under
4 1 separate cost-share agreements.

4 2 a. (1) Except as provided in paragraph "b", a
4 3 participating person may be awarded standard financial
4 4 incentives to make improvements to a retail motor fuel site.
4 5 The standard financial incentives awarded to the a
4 6 participating person shall not exceed the following:

4 7 (a) For a three-year cost-share agreement, fifty percent
4 8 of the actual cost of making the improvement or thirty
4 9 thousand dollars, whichever is less.

4 10 (b) For a five-year cost-share agreement, seventy percent
4 11 of the actual cost of making the improvement or fifty thousand
4 12 dollars, whichever is less.

4 13 (2) The infrastructure board may approve multiple awards
4 14 of standard financial incentives to make improvements to a
4 15 retail motor fuel site so long as the total amount of the
4 16 awards for ethanol infrastructure or biodiesel infrastructure
4 17 does not exceed the limitations provided in this paragraph
4 18 subparagraph (1).

4 19 b. In addition to any standard financial incentives
4 20 awarded to a participating person under paragraph "a", the
4 21 participating person may be awarded supplemental financial
4 22 incentives to make improvements to a retail motor fuel site to
4 23 upgrade do any of the following:

4 24 (1) Upgrade or replace a dispenser which is part of
4 25 gasoline storage and dispensing infrastructure used to store
4 26 and dispense E-85 gasoline as provided in section 455G.31.
4 27 The participating person is only eligible to receive be
4 28 awarded the supplemental financial incentives if the person
4 29 installed the dispenser not later than sixty days after the
4 30 date of the publication in the Iowa administrative bulletin of
4 31 the state fire marshal's order providing that a commercially
4 32 available dispenser is listed as compatible for use with E-85
4 33 gasoline by an independent testing laboratory as provided in
4 34 section 455G.31. The supplemental financial incentives
4 35 awarded to the participating person shall not exceed
5 1 seventy-five percent of the actual cost of making the
5 2 improvement or thirty thousand dollars, whichever is less.

5 3 (2) To improve additional retail motor fuel sites owned or
5 4 operated by a participating person within a twelve-month
5 5 period as provided in the cost-share agreement. The
5 6 supplemental financial incentives shall be used for the
5 7 installation of an additional tank and associated
5 8 infrastructure at each such retail motor fuel site. A
5 9 participating person may be awarded supplemental financial
5 10 incentives under this subparagraph and standard financial
5 11 incentives under paragraph "a" to improve the same motor fuel
5 12 site. The supplemental financial incentives awarded to the
5 13 participating person shall not exceed twenty-four thousand
5 14 dollars. The participating person shall be awarded the

5 15 supplemental financial incentives on a cumulative basis
5 16 according to the schedule provided in this subparagraph, which
5 17 shall not exceed the following:
5 18 (a) For the second retail motor fuel site, six thousand
5 19 dollars.
5 20 (b) For the third retail motor fuel site, six thousand
5 21 dollars.
5 22 (c) For the fourth retail motor fuel site, six thousand
5 23 dollars.
5 24 (d) For the fifth retail motor fuel site, six thousand
5 25 dollars.
5 26 Sec. 10. Section 15G.204, subsection 2, Code Supplement
5 27 2007, is amended by striking the subsection.
5 28 Sec. 11. Section 15G.204, subsection 4, Code Supplement
5 29 2007, is amended to read as follows:
5 30 4. a. An award of financial incentives to a participating
5 31 person shall be in the form of a grant. In order to
5 32 participate in the program, an eligible person must execute a
5 33 cost-share agreement with the department as approved by the
5 34 infrastructure board in which the person contributes a
5 35 percentage of the total costs related to improving the
6 1 terminal. The financial incentives awarded to the
6 2 participating person shall not exceed the following:
6 3 (1) For improvements to store, blend, or dispense
6 4 biodiesel fuel from B=2 or higher but not as high as B=99,
6 5 fifty percent of the actual cost of making the improvements or
6 6 fifty thousand dollars, whichever is less.
6 7 (2) For improvements to store, blend, and dispense
6 8 biodiesel fuel from B=99 to B=100, fifty percent of the actual
6 9 cost of making the improvements or one hundred thousand
6 10 dollars, whichever is less. However, a person shall not be
6 11 awarded moneys under this subparagraph if the person has been
6 12 awarded a total of eight hundred thousand dollars under this
6 13 subparagraph during any period of time and pursuant to all
6 14 cost-share agreements in which the person participates.
6 15 b. The infrastructure board may approve multiple awards to
6 16 make improvements to a terminal so long as the total amount of
6 17 the awards does not exceed the limitations provided in ~~this~~
6 18 ~~subsection paragraph "a".~~
6 19 Sec. 12. Section 214.1, Code 2007, is amended to read as
6 20 follows:
6 21 214.1 DEFINITIONS.
6 22 ~~For the purpose of~~ As used in this chapter, unless the
6 23 context otherwise requires:
6 24 1. "Biodiesel", "biodiesel fuel", "biofuel", "ethanol",
6 25 "motor fuel", "retail dealer", "retail motor fuel site", and
6 26 "wholesale dealer" mean the same as defined in section 214A.1.
6 27 2. "Commercial weighing and measuring device" or "device"
6 28 means the same as defined in section 215.26.
6 29 ~~2. 3. "Motor fuel" means the same as defined in section~~
6 30 ~~214A.1 fuel blender pump" or "blender pump" means a motor fuel~~
6 31 ~~pump that dispenses a type of motor fuel that is blended from~~
6 32 ~~two or more different types of motor fuels and which may~~
6 33 ~~dispense more than one type of blended motor fuel.~~
6 34 ~~3. 4. "Motor fuel pump" means a pump, meter, or similar~~
6 35 ~~commercial weighing and measuring device used to measure and~~
7 1 ~~dispense motor fuel on a retail basis.~~
7 2 ~~4. "Retail dealer" means the same as defined in section~~
7 3 ~~214A.1.~~
7 4 5. "Wholesale dealer" means the same as defined in section
7 5 ~~214A.1~~ "Motor fuel storage tank" or "storage tank" means an
7 6 aboveground or belowground container that is a fixture used to
7 7 store an accumulation of motor fuel.
7 8 Sec. 13. Section 214.9, Code 2007, is amended to read as
7 9 follows:
7 10 214.9 SELF=SERVICE MOTOR FUEL PUMPS.
7 11 ~~Self-service~~ A self-service motor fuel pump ~~pumps pump~~ located
7 12 at a retail motor vehicle fuel station ~~site~~ may be equipped
7 13 with an automatic latch=open devices device ~~on the fuel~~
7 14 dispensing hose nozzle only if the nozzle valve is the
7 15 automatic closing type.
7 16 Sec. 14. Section 214A.1, Code 2007, is amended by adding
7 17 the following new subsection:
7 18 NEW SUBSECTION. 4A. "Biodiesel fuel" means biodiesel or
7 19 biodiesel blended fuel.
7 20 Sec. 15. Section 214A.1, subsections 9, 14, and 15, Code
7 21 2007, are amended to read as follows:
7 22 9. "E=85 gasoline" or "E=85" means ethanol blended
7 23 gasoline formulated with a minimum percentage of between
7 24 seventy and eighty-five percent by volume of ethanol, if the
7 25 formulation meets the standards provided in section 214A.2.

7 26 14. "Motor fuel pump" and "motor fuel blender pump" or
7 27 "blender pump" means the same as defined in section 214.1.
7 28 15. "Motor fuel storage tank" means ~~an aboveground or~~
7 29 ~~belowground container that is a fixture, used to keep an~~
7 30 ~~accumulation of motor fuel the same as defined in section~~
7 31 ~~214.1.~~

7 32 Sec. 16. Section 214A.1, Code 2007, is amended by adding
7 33 the following new subsections:

7 34 NEW SUBSECTION. 21A. "Standard ethanol blended gasoline"
7 35 means ethanol blended gasoline for use in gasoline-powered
8 1 vehicles other than flexible fuel vehicles, that meets the
8 2 requirements of section 214A.2.

8 3 NEW SUBSECTION. 21B. "Unleaded gasoline" means gasoline,
8 4 including ethanol blended gasoline, if all of the following
8 5 applies:

8 6 a. It has an octane number of not less than eighty-seven
8 7 as provided in section 214A.2.

8 8 b. Lead or phosphorus compounds have not been
8 9 intentionally added to it.

8 10 c. It does not contain more than thirteen thousandths
8 11 grams of lead per liter and not more than thirteen
8 12 ten-thousandths grams of phosphorus per liter.

8 13 Sec. 17. Section 214A.2, subsection 3, paragraph b, Code
8 14 2007, is amended to read as follows:

8 15 b. If the motor fuel is advertised for sale or sold as
8 16 ethanol blended gasoline, the motor fuel must comply with
8 17 departmental standards which shall ~~comply with specifications~~

~~for ethanol blended gasoline adopted by A.S.T.M.~~

~~international. For ethanol blended gasoline meet all of the~~
8 20 following ~~shall apply~~ requirements:

8 21 (1) Ethanol must be an agriculturally derived ethyl
8 22 alcohol that meets A.S.T.M. international specification D4806
8 23 for denatured fuel ethanol for blending with gasoline for use
8 24 as automotive spark-ignition engine fuel, or a successor
8 25 A.S.T.M. international specification, as established by rules
8 26 adopted by the department.

8 27 (2) Gasoline blended with ethanol must meet any of the
8 28 following requirements:

8 29 (a) For the gasoline, A.S.T.M. international specification
8 30 D4814.

8 31 (b) For the ethanol blended gasoline, A.S.T.M.
8 32 international specification D4814.

8 33 (c) For the gasoline, A.S.T.M. international specification
8 34 D4814 except for distillation, if, for E=10 or a

8 35 classification below E=10, the ethanol blended gasoline meets
9 1 the requirements of A.S.T.M. international specification

9 2 D4814.

9 3 (3) For ethanol blended gasoline ~~other than E-85 gasoline,~~
9 4 at least ~~ten nine~~ percent of the ~~gasoline~~ by volume must be
9 5 fuel grade ethanol. In addition the following applies:

9 6 (a) For the period beginning on September 16 and ending on
9 7 May 31 of each year, the state grants a waiver of one pound
9 8 per square inch from the A.S.T.M. international D4814 Reid
9 9 vapor pressure requirement.

9 10 (b) For the period beginning on June 1 and ending on
9 11 September 15 of each year the United States environmental
9 12 protection agency must grant a one pound per square inch
9 13 waiver for ethanol blended conventional gasoline with at least
9 14 nine but not more than ten percent by volume of ethanol
9 15 pursuant to 40 C.F.R. } 80.27.

9 16 (4) For standard ethanol blended gasoline, it must be
9 17 ethanol blended gasoline classified as any of the following:

9 18 (a) E=9 or E=10, if the ethanol blended gasoline meets the
9 19 standards for that classification as otherwise provided in
9 20 this paragraph "b".

9 21 (b) Higher than E=10, if authorized by the department
9 22 pursuant to approval for the use of that classification of
9 23 ethanol blended gasoline in this state by the United States
9 24 environmental protection agency, by granting a waiver or the
9 25 adoption of regulations.

9 26 (5) E=85 gasoline must be an agriculturally derived ethyl
9 27 alcohol that meets A.S.T.M. international specification D5798,
9 28 described as a fuel blend for use in ground vehicles with
9 29 automotive spark-ignition engines, or a successor A.S.T.M.
9 30 international specification, as established by rules adopted
9 31 by the department.

9 32 Sec. 18. Section 214A.2, Code 2007, is amended by adding
9 33 the following new subsection:

9 34 NEW SUBSECTION. 4A. Ethanol blended gasoline shall be
9 35 designated E=xx where "xx" is the volume percent of ethanol in
10 1 the ethanol blended gasoline and biodiesel shall be designated

10 2 B=xx where "xx" is the volume percent of biodiesel.
10 3 Sec. 19. Section 214A.2B, Code Supplement 2007, is amended
10 4 to read as follows:
10 5 214A.2B LABORATORY FOR MOTOR FUEL AND BIOFUELS.
10 6 A laboratory for motor fuel and biofuels is established at
10 7 a merged area school which is engaged in biofuels testing on
10 8 July 1, 2007, and which testing includes but is not limited to
10 9 ~~B=20~~ biodiesel fuel testing for motor trucks and the
10 10 ability of biofuels to meet A.S.T.M. international standards.
10 11 The laboratory shall conduct testing of motor fuel sold in
10 12 this state and biofuel which is blended in motor fuel in this
10 13 state to ensure that the motor fuel or biofuels meet the
10 14 requirements in section 214A.2.
10 15 Sec. 20. Section 214A.3, subsection 2, paragraph b, Code
10 16 2007, is amended to read as follows:
10 17 b. (1) Ethanol blended gasoline sold by a dealer shall be
10 18 designated ~~E=xx where "xx" is the volume percent of ethanol in~~
~~10 19 the ethanol blended gasoline according to its classification~~
~~10 20 as provided in section 214A.2.~~ However, a person advertising
10 21 E=9 or E=10 gasoline may only designate it as ethanol blended
10 22 gasoline. A person advertising ethanol blended gasoline
~~10 23 formulated with a percentage of between seventy and~~
~~10 24 eighty-five percent by volume of ethanol shall designate it as~~
~~10 25 E=85.~~ A person shall not knowingly falsely advertise ethanol
10 26 blended gasoline by using an inaccurate designation in
10 27 violation of this subparagraph.
10 28 (2) Biodiesel blended fuel shall be designated ~~B=xx where~~
~~10 29 "xx" is the volume percent of biodiesel in the biodiesel~~
~~10 30 blended fuel according to its classification as provided in~~
~~10 31 section 214A.2.~~ A person shall not knowingly falsely
10 32 advertise biodiesel blended fuel by using an inaccurate
10 33 designation in violation of this subparagraph.
10 34 Sec. 21. Section 214A.16, Code 2007, is amended to read as
10 35 follows:
11 1 214A.16 NOTICE OF BLENDED FUEL == DECAL.
11 2 1. If motor fuel containing a renewable fuel is sold from
11 3 a motor fuel pump, the pump shall have affixed a decal
11 4 identifying the name of the renewable fuel. The decal ~~may~~
11 5 shall be different based on the type of renewable fuel ~~used~~
11 6 dispensed. If the motor fuel pump dispenses ethanol blended
11 7 gasoline classified as higher than standard ethanol blended
11 8 gasoline pursuant to section 214A.2, the decal shall contain
11 9 the following notice: "FOR FLEXIBLE FUEL VEHICLES ONLY".
11 10 2. The design and location of the decal shall be
11 11 prescribed by rules adopted by the department. A decal
11 12 identifying a renewable fuel shall be consistent with
11 13 standards adopted pursuant to section 159A.6. The department
11 14 may approve an application to place a decal in a special
11 15 location on a pump or container or use a decal with special
11 16 lettering or colors, if the decal appears clear and
11 17 conspicuous to the consumer. The application shall be made in
11 18 writing pursuant to procedures adopted by the department.
11 19 Sec. 22. Section 455G.31, subsection 1, Code Supplement
11 20 2007, is amended to read as follows:
11 21 1. As used in this section, unless the context otherwise
11 22 requires:
11 23 a. "Dispenser" includes a motor fuel pump, including but
11 24 not limited to a motor fuel blender pump.
11 25 ~~a.~~ b. "E=85 gasoline", "ethanol blended gasoline", and
11 26 "retail dealer" mean the same as defined in section 214A.1.
11 27 ~~b.~~ c. "Gasoline storage and dispensing infrastructure"
11 28 means any storage tank located below ground or above ground
11 29 and any associated equipment including but not limited to a
11 30 pipe, hose, connection, fitting seal, or motor fuel pump,
11 31 which is used to store, measure, and dispense gasoline by a
11 32 retail dealer.
11 33 d. Ethanol blended gasoline shall be designated in the
11 34 same manner as provided in section 214A.2.
11 35 e. "Motor fuel pump" means the same as defined in section
12 1 214.1.
12 2 Sec. 23. Section 455G.31, subsection 2, unnumbered
12 3 paragraph 1, Code Supplement 2007, is amended to read as
12 4 follows:
12 5 A retail dealer may use gasoline storage and dispensing
12 6 infrastructure to store and dispense ~~E=85 ethanol blended~~
12 7 gasoline classified as E=9 or higher if all of the following
12 8 apply:
12 9 Sec. 24. Section 455G.31, subsection 2, paragraph a, Code
12 10 Supplement 2007, is amended to read as follows:
12 11 a. For gasoline storage and dispensing infrastructure
12 12 other than the dispenser, the department of natural resources

12 13 under this chapter or the state fire marshal under chapter 101
12 14 must determine that it is compatible with ~~E-85~~ the ethanol
12 15 blended gasoline being used.

12 16 Sec. 25. Section 455G.31, subsection 2, paragraph b,
12 17 subparagraph (1), subparagraph subdivision (a), Code
12 18 Supplement 2007, is amended to read as follows:
12 19 (a) The dispenser must be listed by an independent testing
12 20 laboratory as compatible with ethanol blended gasoline
12 21 classified as E-9 or higher.

12 22 Sec. 26. Section 15.401, Code 2007, is repealed.
12 23 Sec. 27. RENEWABLE FUEL INFRASTRUCTURE == STANDARD
12 24 FINANCIAL INCENTIVES AWARDED FOR THE ACQUISITION OF TANK
12 25 VEHICLES.
12 26 1. Notwithstanding the amendments to section 15G.203,
12 27 subsection 1, paragraph "b", as enacted in this Act, a person
12 28 may participate in the renewable fuel infrastructure program
12 29 for retail motor fuel sites as provided in section 15G.203, as
12 30 amended by this Act, for the acquisition of any of the
12 31 following:
12 32 a. One tank vehicle used to store and dispense E-85
12 33 gasoline, which shall be deemed ethanol infrastructure.
12 34 b. One tank vehicle used to store and dispense biodiesel
12 35 or biodiesel blended fuel, which shall be deemed biodiesel
13 1 infrastructure.
13 2 2. The renewable fuel infrastructure board may approve an
13 3 award of financial incentives for the acquisition of a tank
13 4 vehicle as provided in a cost-share agreement for a three-year
13 5 period as provided in section 15G.203, as amended by this Act.
13 6 The standard financial incentives awarded to the participating
13 7 person shall not exceed fifty percent of the actual cost of
13 8 the acquisition of the tank vehicle or thirty thousand
13 9 dollars, whichever is less. The infrastructure board may
13 10 approve an application for both a tank vehicle used to store
13 11 and dispense E-85 gasoline as ethanol infrastructure and for a
13 12 tank vehicle used to store and dispense biodiesel or biodiesel
13 13 blended fuel as biodiesel infrastructure so long as the
13 14 standard financial incentives awarded to the participating
13 15 person for the acquisition of the two tank vehicles are made
13 16 under separate cost-share agreements.
13 17 3. In order to participate in the renewable fuel
13 18 infrastructure program for retail motor fuel sites as provided
13 19 in this section, a person must apply to the department of
13 20 economic development as provided in section 15G.203, as
13 21 amended by this Act, not later than December 31, 2008.
13 22 Sec. 28. RENEWABLE FUEL INFRASTRUCTURE PROGRAMS ==
13 23 CONSIDERATION OF APPLICATIONS.
13 24 1. The renewable fuel infrastructure board created in
13 25 section 15G.202 may award financial incentives to a person
13 26 participating in the renewable fuel infrastructure program for
13 27 retail motor fuel sites for an amount provided in section
13 28 15G.203, subsection 7, as amended in this Act, if the person
13 29 applied to the department of economic development on or after
13 30 February 19, 2008.
13 31 2. The renewable fuel infrastructure board created in
13 32 section 15G.202 may award financial incentives to a person
13 33 participating in the renewable fuel infrastructure program for
13 34 terminal facilities for an amount provided in section 15G.204,
13 35 subsection 4, as amended in this Act, if the person applied to
14 1 the department of economic development on or after February
14 2 19, 2008.
14 3 Sec. 29. SECRETARY OF AGRICULTURE == APPLICATION TO THE
14 4 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. The secretary
14 5 of agriculture shall make application to the United States
14 6 environmental protection agency to obtain approval for the use
14 7 of ethanol blended gasoline containing more than ten percent
14 8 ethanol by volume in this state by gasoline-powered vehicles
14 9 other than flexible fuel vehicles. The application shall, as
14 10 necessary, seek a waiver of relevant standards promulgated by
14 11 the agency under the federal Clean Air Act, including but not
14 12 limited to 42 U.S.C. } 7545 and 40 C.F.R. pt. 80. Within
14 13 sixty days after obtaining such approval, the secretary of
14 14 agriculture shall publish a notice in the Iowa administrative
14 15 bulletin certifying the approval.
14 16 Sec. 30. EFFECTIVE DATES.
14 17 1. Except as provided in subsection 2, this division of
14 18 this Act, being deemed of immediate importance, takes effect
14 19 upon enactment.
14 20 2. The amendments to section 15G.204, subsection 4, as
14 21 amended by this division of this Act, take effect January 1,
14 22 2009.
14 23

14 24 BIODIESEL BLENDED FUEL INCOME TAX CREDIT
14 25 Sec. 31. Section 422.11P, subsection 2, paragraph a,
14 26 subparagraphs (1) and (2), Code Supplement 2007, are amended
14 27 to read as follows:
14 28 (1) The taxpayer is a retail dealer who sells and
14 29 dispenses biodiesel blended fuel through a motor fuel pump
14 30 located at a motor fuel site operated by the retail dealer in
14 31 the tax year in which the tax credit is claimed.
14 32 (2) Of the total gallons of diesel fuel that the retail
14 33 dealer sells and dispenses through all motor fuel pumps
14 34 located at a motor fuel site operated by the retail dealer
14 35 during the retail dealer's tax year, fifty percent or more is
15 1 biodiesel blended fuel which meets the requirements of this
15 2 section.
15 3 Sec. 32. Section 422.11P, subsection 3, Code Supplement
15 4 2007, is amended to read as follows:
15 5 3. a. The tax credit shall be calculated separately for
15 6 each retail motor fuel site operated by the retail dealer.
15 7 b. The amount of the tax credit is three cents multiplied
15 8 by the total number of gallons of biodiesel blended fuel sold
15 9 and dispensed by the retail dealer through all motor fuel
15 10 pumps located at a retail motor fuel site operated by the
15 11 retail dealer during the retail dealer's tax year.
15 12 Sec. 33. Section 422.33, subsection 11C, paragraph c, Code
15 13 Supplement 2007, is amended to read as follows:
15 14 c. The tax credit shall be calculated separately for each
15 15 retail motor fuel site operated by the taxpayer in the same
15 16 manner as provided in section 422.11P.
15 17 d. This subsection is repealed on January 1, 2012.
15 18 Sec. 34. FUTURE APPLICABILITY DATE. Section 422.11P, as
15 19 amended by this Act, and section 422.33, subsection 11C, as
15 20 applied due to the enactment of this Act, shall apply to tax
15 21 years beginning on or after January 1, 2009.
15 22 Sec. 35. EFFECTIVE DATE. This division of this Act, being
15 23 deemed of immediate importance, takes effect upon enactment.

15 24 DIVISION III
15 25 GOVERNMENT FLEET PURCHASES
15 26 OF RENEWABLE FUELS

15 27 Sec. 36. Section 8A.362, subsection 3, paragraph b, Code
15 28 Supplement 2007, is amended to read as follows:
15 29 b. A gasoline-powered motor vehicle operated under this
15 30 subsection shall not operate on gasoline other than ethanol
15 31 blended gasoline as defined in section 214A.1, unless under
15 32 emergency circumstances. A diesel-powered motor vehicle
15 33 operated under this subsection shall not operate on diesel
15 34 fuel other than biodiesel fuel as defined in section 214A.1,
15 35 if commercially available. A state-issued credit card used to
16 1 purchase gasoline shall not be valid to purchase gasoline
16 2 other than ethanol blended gasoline, if commercially
16 3 available, or to purchase diesel fuel other than biodiesel
16 4 fuel, if commercially available. The motor vehicle shall also
16 5 be affixed with a brightly visible sticker which notifies the
16 6 traveling public that the motor vehicle is being operated on
16 7 ethanol blended gasoline or biodiesel fuel, as applicable.
16 8 However, the sticker is not required to be affixed to an
16 9 unmarked vehicle used for purposes of providing law
16 10 enforcement or security.
16 11 Sec. 37. Section 216B.3, subsection 16, paragraph a, Code
16 12 Supplement 2007, is amended to read as follows:
16 13 a. A gasoline-powered motor vehicle purchased by the
16 14 commission shall not operate on gasoline other than ethanol
16 15 blended gasoline as defined in section 214A.1. A
16 16 diesel-powered motor vehicle purchased by the commission shall
16 17 not operate on diesel fuel other than biodiesel fuel as
16 18 defined in section 214A.1, if commercially available. A state
16 19 issued credit card used to purchase gasoline shall not be
16 20 valid to purchase gasoline other than ethanol blended gasoline
16 21 or to purchase diesel fuel other than biodiesel fuel, if
16 22 commercially available. The motor vehicle shall also be
16 23 affixed with a brightly visible sticker which notifies the
16 24 traveling public that the motor vehicle is being operated on
16 25 ethanol blended gasoline or biodiesel fuel, as applicable.
16 26 However, the sticker is not required to be affixed to an
16 27 unmarked vehicle used for purposes of providing law
16 28 enforcement or security.
16 29 Sec. 38. Section 262.25A, subsection 2, Code Supplement
16 30 2007, is amended to read as follows:
16 31 2. A gasoline-powered motor vehicle purchased by the
16 32 institutions shall not operate on gasoline other than ethanol
16 33 blended gasoline as defined in section 214A.1, unless under
16 34 emergency circumstances or if to do so would result in the use

16 35 of a percentage of ethanol blended gasoline higher than
17 1 recommended by the vehicle manufacturer or would result in a
17 2 violation of the vehicle's manufacturer warranty. A
17 3 diesel-powered motor vehicle purchased by the institutions
17 4 shall not operate on diesel fuel other than biodiesel fuel as
17 5 defined in section 214A.1, if commercially available, unless
17 6 to do so would result in the use of a percentage of biodiesel
17 7 not recommended by the vehicle manufacturer or would result in
17 8 violation of the vehicle's manufacturer warranty, or under
17 9 emergency circumstances. A state-issued credit card ~~used to~~
17 10 ~~purchase gasoline~~ shall not be valid ~~used~~ to purchase gasoline
17 11 other than ethanol blended gasoline if commercially available
17 12 or to purchase diesel fuel other than biodiesel fuel if
17 13 commercially available. The motor vehicle shall also be
17 14 affixed with a brightly visible sticker which notifies the
17 15 traveling public that the motor vehicle is being operated on
17 16 ethanol blended gasoline or biodiesel fuel, as applicable.
17 17 However, the sticker is not required to be affixed to an
17 18 unmarked vehicle used for purposes of providing law
17 19 enforcement or security.

17 20 Sec. 39. Section 307.21, subsection 4, paragraph d, Code
17 21 Supplement 2007, is amended to read as follows:

17 22 d. A ~~motor gasoline-powered~~ vehicle purchased by the
17 23 administrator shall not operate on gasoline other than ethanol
17 24 blended gasoline as defined in section 214A.1. A
17 25 ~~diesel-powered motor vehicle purchased by the administrator~~
17 26 ~~shall not operate on diesel fuel other than biodiesel fuel as~~
17 27 ~~defined in section 214A.1, if commercially available.~~ A
17 28 state-issued credit card ~~used to purchase gasoline~~ shall not
17 29 be valid to purchase gasoline other than ethanol blended
17 30 gasoline or to purchase diesel fuel other than biodiesel fuel,
17 31 if commercially available. The motor vehicle shall also be
17 32 affixed with a brightly visible sticker which notifies the
17 33 traveling public that the motor vehicle is being operated on
17 34 ethanol blended gasoline or biodiesel fuel, as applicable.
17 35 However, the sticker is not required to be affixed to an
18 1 unmarked vehicle used for purposes of providing law
18 2 enforcement or security.

18 3 Sec. 40. Section 904.312A, subsection 1, Code Supplement
18 4 2007, is amended to read as follows:

18 5 1. A ~~gasoline-powered~~ motor vehicle purchased by the
18 6 department shall not operate on gasoline other than ethanol
18 7 blended gasoline as defined in section 214A.1. A
18 8 ~~diesel-powered motor vehicle purchased by the department shall~~
18 9 ~~not operate on diesel fuel other than biodiesel fuel as~~
18 10 ~~defined in section 214A.1, if commercially available.~~ A
18 11 state-issued credit card ~~used to purchase gasoline~~ shall not
18 12 be valid to purchase gasoline other than ethanol blended
18 13 gasoline, or to purchase diesel fuel other than biodiesel
18 14 fuel, if commercially available. The motor vehicle shall also
18 15 be affixed with a brightly visible sticker which notifies the
18 16 traveling public that the motor vehicle is being operated on
18 17 ethanol blended gasoline or biodiesel fuel, as applicable.
18 18 However, the sticker is not required to be affixed to an
18 19 unmarked vehicle used for purposes of providing law
18 20 enforcement or security.

18 21 Sec. 41. USE OF BIODIESEL FUEL BY LOCAL ENTITIES. It is
18 22 the policy of the state to encourage the use of biodiesel fuel
18 23 to the extent practical in all diesel-powered motor vehicles
18 24 purchased or used by cities, counties, school corporations,
18 25 and merged area schools.

18 26 Sec. 42. EFFECTIVE DATE. This division of this Act, being
18 27 deemed of immediate importance, takes effect upon enactment.

18 28 DIVISION IV

18 29 RENEWABLE FUELS MARKETING EFFORTS

18 30 Sec. 43. DEFINITIONS. As used in this division of this
18 31 Act, unless the context otherwise requires:

18 32 1. "Biodiesel fuel", "biofuel", "E=85", and "retail
18 33 dealer" mean the same as defined in section 214A.1.

18 34 2. "Renewable fuel" means biodiesel fuel or ethanol
18 35 blended gasoline.

19 1 Sec. 44. RENEWABLE FUELS MARKETING PLAN. The office of
19 2 energy independence shall develop a renewable fuels marketing
19 3 plan to promote the biofuel industry in this state.

19 4 1. The renewable fuels marketing plan shall provide for
19 5 research to determine what barriers hinder the increased use
19 6 of renewable fuels, including renewable fuels containing
19 7 higher blends of biofuels in this state. The research shall
19 8 include but is not limited to determining all of the
19 9 following:

19 10 a. Barriers that may prevent retail dealers from selling

19 11 more renewable fuels, which shall at least include issues
19 12 involving infrastructure, product quality, and cost
19 13 efficiencies.
19 14 b. Barriers that may prevent consumers from purchasing
19 15 more renewable fuels, which shall at least include issues
19 16 involving fuel efficiency and consumer awareness of renewable
19 17 fuels and flexible fuel vehicles.
19 18 2. The office shall prepare and submit the renewable
19 19 fuels marketing plan to the governor and the general assembly
19 20 by March 15, 2009.
19 21 Sec. 45. DIRECT MARKETING CAMPAIGN == FLEXIBLE FUEL
19 22 VEHICLES AND DIESEL POWERED VEHICLES. The office of energy
19 23 independence shall conduct a direct marketing campaign
19 24 specifically targeted to owners of flexible fuel vehicles and
19 25 diesel powered vehicles.
19 26 1. The direct marketing campaign shall include but is not
19 27 limited to education to increase owner awareness and knowledge
19 28 regarding all of the following:
19 29 a. Flexible fuel vehicles and E=85 as an alternative fuel
19 30 choice. The office shall provide owners with maps indicating
19 31 where retail motor fuel sites offering E=85 are located.
19 32 b. Diesel powered vehicles and biodiesel fuel as an
19 33 alternative fuel choice. The office shall provide owners with
19 34 information on but not limited to successful cold weather
19 35 handling and use of biodiesel fuel, engine manufacturer
20 1 warranties covering the use of biodiesel fuel, and maps
20 2 indicating where retail motor fuel sites offering biodiesel
20 3 fuel are located.
20 4 2. The department of transportation shall provide the
20 5 office with a list of the names and addresses of owners of
20 6 flexible fuel vehicles and diesel powered vehicles, including
20 7 vehicles registered under sections 321.109, 321.121, and
20 8 321.122.
20 9 3. The office shall complete the direct marketing campaign
20 10 by December 15, 2008.
20 11 Sec. 46. COLLABORATION. The office of energy independence
20 12 may collaborate with public or private organizations to carry
20 13 out the provisions of this division of this Act.
20 14 Sec. 47. FUNDING. The office of energy independence shall
20 15 carry out the provisions of this division of this Act using
20 16 moneys received by the office from all sources, including but
20 17 not limited to moneys appropriated to the office as provided
20 18 in section 469.10.
20 19 Sec. 48. EFFECTIVE DATE. This division of this Act, being
20 20 deemed of immediate importance, takes effect upon enactment.
20 21
20 22
20 23

20 24 _____
20 25 PATRICK J. MURPHY
20 26 Speaker of the House
20 27
20 28

20 29 _____
20 30 JOHN P. KIBBIE
20 31 President of the Senate
20 32

20 32 I hereby certify that this bill originated in the House and
20 33 is known as House File 2689, Eighty=second General Assembly.
20 34
20 35

21 1 _____
21 2 MARK BRANDSGARD
21 3 Chief Clerk of the House
21 4

21 4 Approved _____, 2008
21 5
21 6
21 7

21 8 _____
21 9 CHESTER J. CULVER
21 9 Governor